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313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

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*To ensure access to high-quality,
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care to Los Angeles County residents
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community and university partners.*



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June 04, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO AGREEMENT WITH THE UNIVERSITY
OF SOUTHERN CALIFORNIA FOR PACEMAKER SURVEILLANCE
MONITORING SERVICES AT LAC+USC MEDICAL CENTER AND THREE
COMPREHENSIVE HEALTH CENTERS
(FIRST SUPERVISORIAL DISTRICT)
(3 VOTES)**

SUBJECT

Authorize the Department of Health Services to execute an Amendment to an Agreement with the University of Southern California to extend the term of the Agreement for a period of one year, increase the overall maximum obligation for the Agreement and delegate authority to increase the maximum obligation in the event of unanticipated workload increases for Pacemaker Surveillance Monitoring Services on behalf of LAC+USC Medical Center and three Comprehensive Health Centers.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute an Amendment to Agreement No. H-703000 with the University of Southern California (USC) effective upon Board approval to: (i) extend the term for the period July 1, 2014 to June 30, 2015 for the continued provision of Pacemaker Surveillance Monitoring Services for Department of Health Services (DHS) patients at LAC+USC Medical Center (LAC+USC MC) and three Comprehensive Health Centers (CHCs) - El Monte CHC, H. Claude Hudson CHC and Edward R. Roybal CHC; (ii) increase the maximum obligation by \$85,000 for the extension period and total maximum obligation of \$479,000 for the Agreement term; and, (iii) update standard terms and

conditions.

2. Delegate authority to the Director, or his designee, to amend the Agreement with USC to increase the maximum obligation for the extension period by no more than ten percent (10%) or \$8,500, if the workload increases for Pacemaker Surveillance Monitoring Services, subject to review and approval by County Counsel and with notice to the Board and Chief Executive Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

USC provides pacemaker surveillance monitoring services through USC's Cardiac Clinic to LAC+USC MC and CHC patients with Cardiac Implantable Rhythm Management (CIRM) devices, namely cardiac pacemakers and cardiac defibrillators. The Agreement with USC expires June 30, 2014.

Approval of the first recommendation will enable the Director, or his designee, to execute an Amendment, substantially similar to Exhibit I, to extend the Agreement term for one year; increase the maximum obligation for the extension period, and update standard terms and conditions. During the extension period, the Department of Health Services (DHS) will assess whether Pacemaker Surveillance Monitoring Services could be better standardized at all applicable DHS facilities, and potentially brought in house at LAC+USC MC and the CHCs.

CIRM devices require regular follow-up clinic visits to not only assess routine issues of battery depletion, but also random component failure, electrical lead malfunctions, troubleshooting suspected abnormalities and intervening remotely to correct identified abnormalities. The goals of the pacemaker surveillance monitoring services are to obtain maximum device longevity and patient safety while treating their cardiac conditions. In addition to clinic visits, USC provides follow up visits after implantation, as well as 24-hour on call answering services for these DHS patients. Until DHS completes the assessment regarding standardization, DHS has determined continuation of this Agreement is the most cost effective method to ensure continuity of this service.

Approval of the second recommendation will enable the Director to amend the Agreement to increase the maximum obligation by up to ten percent (10%) or a maximum of \$8,500 in the event of workload increases during the extension period.

Implementation of Strategic Plan Goals

The recommended action supports Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated cost for these services for Fiscal Year (FY) 2014-15 is \$85,000. Funding is included in the FY 2014-15 Recommended Budget for DHS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DHS has contracted with USC for pacemaker surveillance monitoring services for many years. On June 12, 2007, the Board approved an Agreement with USC for the period, July 1, 2007 through

June 30, 2012, a maximum obligation of \$252,000. Subsequently, the Board approved Amendments to extend the term, and increase the maximum obligation and the compensation rate to \$85 per patient visit.

The services under this Agreement are provided intermittently and as needed, and therefore not required to meet Proposition A requirements.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

At the time this Agreement was awarded, DHS had determined that LAC+USC MC patients with CIRMs are better served by the USC doctors who implant their pacemakers and defibrillators and provide the subsequent Pacemaker Surveillance Monitoring Services. USC has an established cardiac clinic, as well as the remote monitoring capabilities in place.

DHS is currently gathering information to assess and determine whether these services could be better standardized at all applicable DHS facilities; the result of which could be to bring the services under this Agreement internally for LAC+USC MC and the three CHCs. DHS needs to complete this assessment before it can consider changing the current service model. The Board will be provided with the results of DHS' assessment and future direction prior to expiration of the recommended extension period.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will ensure continuity of patient care for pacemaker surveillance monitoring services during the extension period at LAC+USC MC and three CHCs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz".

Mitchell H. Katz, M.D.

Director

rf

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

PACEMAKER SURVEILLANCE MONITORING SERVICES AGREEMENT

AMENDMENT NO. 3

THIS AMENDMENT is made and entered into this _____ day of _____, 2014,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

UNIVERSITY OF SOUTHERN
CALIFORNIA
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled, "PACEMAKER SURVEILLANCE MONITORING SERVICES AGREEMENT", dated July 1, 2007, further identified as Agreement No. H-703000 and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend the term of the Agreement for a period of one year, increase the maximum obligation, delegate authority to increase the maximum obligation by 10% if workload increases, and update standard terms and conditions for Pacemaker Surveillance Monitoring Services at LAC+USC Medical Center and three Comprehensive Health Centers, all described hereinafter; and

WHEREAS, Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by both parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall commence and be effective upon Board approval.
2. Agreement, Paragraph 1, TERM, shall be deleted in its entirety and replaced as follows:

"1. TERM:

- A. The term of this Agreement shall commence on July 1, 2007, and shall continue in full force and effect to and

including June 30, 2015, unless sooner canceled or terminated as provided herein.

- B. The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

- 3. Agreement, Paragraph 5, MAXIMUM OBLIGATION OF COUNTY, shall be deleted in its entirety and replaced as follows:

“5. MAXIMUM OBLIGATION OF COUNTY:

- A. The maximum obligation for County for all services provided hereunder shall not exceed Three Hundred and Nine Thousand Dollars (\$309,000), for the period of July 1, 2007 through June 30, 2013.
- B. The maximum obligation for County for all services provided hereunder shall not exceed Eighty-Five Thousand Dollars (\$85,000), for the period of July 1, 2013 through June 30, 2014.
- C. The maximum obligation for County for all services provided hereunder shall not exceed Eighty-Five Thousand Dollars (\$85,000), for the period of July 1, 2014 through June 30, 2015.
- D. The County’s Director of Health Services may increase the maximum obligation of the Agreement by no more than Eight Thousand Five Hundred Dollars (\$8,500). Any such increase shall be done by an amendment to this Agreement that is signed by both parties.”

- 4. Agreement, Paragraph 11, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (HITECH), shall be deleted in its entirety and replaced as follows:

“11. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA):

- 11.1 The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations. Contractor understands and agrees that, as a provider of medical treatment services, it is a “covered entity” under HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and security of patients’ medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.
- 11.2 The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on Contractor’s behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor’s obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.
- 11.3 Contractor and County understand and agree that each is independently responsible for HIPAA compliance and agree to take all necessary and reasonable actions to comply with the requirements of the HIPAA laws and implementing regulations related to transactions and code sets, privacy, and security.
- 11.4 Each party further agrees that, should it fail to comply with its obligations under HIPAA, it shall indemnify and hold harmless the other party (including the other party’s officers, employees, and agents), for damages to the other party that are attributable to such failure.
5. This Agreement’s Standard Provisions is hereby amended to add Paragraph 52, TIME OFF FOR VOTING, as follows:
- “52. TIME OFF FOR VOTING:

6. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services, and contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

UNIVERSITY OF SOUTHERN
CALIFORNIA _____
Contractor

By _____
Signature

Printed Name

Title _____

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

By _____
Principal Deputy County Counsel

MHK:rf
board letter pacemaker surveillance amendment no 3 amendment 14.04.01